RECOMMENDED EM&V CONTRACTORS

for

Small Energy Nonresidential Fitness Program No.179-02

Pacific Gas & Electric Service Territory

In response to ALJ Thomas's rulemaking 01-08-028 issued 6/17/02, Richard Heath & Associates respectfully submits the following:

 RHA suggests two potential EM&V contractors for the RHA proposed "Small Nonresidential Energy Fitness program to Hard-to-Reach PG&E Customers" No. 179-02. They are:

Regional Economic Research (RER) 11236 El Camino Real Saan Diego, CA 92130

Xenergy Inc. 492 Ninth Street, Suite 220 Oakland, CA 94607

Both contractors are independent consulting firms known to RHA as active qualified firms performing services in the PG&E Service Territory. Both of these firms have performed services for PG&E and have an established working relationship with PG&E. To the best of RHA's knowledge, PG&E has been satisfied with the services provided by these firms.

- The two firms submitted are independent of RHA with no partnership ownership or investor relationship with RHA.
- Previous or current work done for or with RHA is as follows:

RHA is currently working as a subcontractor for RER on the Statewide LIEE Weatherization Standardization and Natural Gas Appliances Testing projects.

RHA has had no prior working relationship with Xenergy.

- RHA knows of no reason that might lead a reasonable person to question whether the submitted contractors are actually independent of RHA.
- RHA has no knowledge of any reason why the Commission might not select any of the submitted contractors (*e.g.* contractor's outstanding state tax liens, present or former bankruptcy, pending civil or criminal litigation or other proceedings, license suspensions or similar actions orcriminal convictions).